DEPARTMENT OF JUSTICE

VICTIMS' FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2001

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

SASKATCHEWAN

102-00027/

Phone: (306) 787-6398
Fax: (306) 787-6383
Internet e-mail: info@auditor.sk.ca

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Victims' Fund as at March 31, 2001 and the statements of operations and accumulated surplus (deficit), cash flows and tangible capital assets for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 8, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000
Financial assets:		
Due from General Revenue Fund (Note 5)	$ 45,365	$ 210,188
Accounts receivable (Note 6)	573,391	588,087
Due from Public Trustee (Note 7)	3,366,476	3,446,721
Total financial assets	3,985,232	4,244,996
Liabilities:		
Accounts payable	32,134	74,013
Employee leave entitlement	9,410	6,762
Deferred Revenue (Notes 2 and 8)	90,616	153,707
Total liabilities	132,160	234,482
Accumulated surplus (Statement 2)	$ 3,853,072	$ 4,010,514
Accumulated surplus represented by:		
Accumulated operating results	$ 3,856,617	$ 4,013,477
Less tangible capital assets (Statement 4)	(3,545)	(2,963)
	$ 3,853,072	$ 4,010,514

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS (DEFICIT)
For the Year Ended March 31

	Budget	Actual	
	2001 (Note 9)	2001	2000
Revenue:			
Surcharge revenue	$ 2,500,000	$ 2,318,859	1,976,709
Proceeds of Crime (Note 8)	—	107,595	—
Investment income (Note 7)	320,000	394,754	376,176
Other	5,000	15,200	24,414
Total revenue	2,825,000	2,836,408	2,377,299
Expense:			
Administration costs	444,000	419,225	406,089
Crisis intervention services	1,711,000	1,619,917	1,612,447
Court based programs	200,000	196,625	190,393
Compensation payments	300,000	312,454	370,728
Restitution program	135,000	135,147	108,833
Research and education	210,000	202,305	190,408
Proceeds of Crime	—	107,595	—
Special projects	—	—	26,399
Total expense (Schedule 1)	$ 3,000,000	$ 2,993,268	$ 2,905,297
Operating results	(175,000)	(156,860)	(527,998)
Net decrease (increase) in tangible capital assets	—	(582)	10,737
Deficit for the year	$ (175,000)	(157,442)	(517,261)
Accumulated surplus, beginning of year		4,010,514	4,527,775
Accumulated surplus, end of year (Statement 1)		$ 3,853,072	$ 4,010,514

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2001	2000
Cash flows from Operating Activities:		
Deficit for the year	$ (157,442)	$ (517,261)
Changes in non-cash working capital balances:		
Decrease in accounts receivable	14,695	297,585
Decrease in due from Public Trustee	80,245	148,824
(Decrease) increase accounts payable	(41,879)	47,651
Increase in employee leave entitlement	2,648	1,958
Increase (decrease) in deferred revenue	(63,090)	153,707
(Decrease) increase in cash for year	(164,823)	132,464
Due form General Revenue Fund, beginning of year	210,188	77,724
Due from General Revenue Fund, end of year	$ 45,365	$ 210,188

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF TANGIBLE CAPITAL ASSETS
For the Year Ended March 31

	2001	2000
	Equipment	
Opening cost	$ 61,768	$ 59,137
Additions during the year	4,002	2,631
Disposals	—	—
Closing cost	65,770	61,768
Opening accumulated amortization	58,805	45,437
Annual amortization	3,420	13,368
Disposals	—	—
Closing accumulated amortization	62,225	58,805
Net book value of tangible capital assets	$ 3,545	$ 2,963

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority

The Victims' Fund (Fund) was established by *The Victims of Crime Act* as amended April 1, 1992, and continues under the authority of *The Victims of Crime Act, 1995* (Act). The Fund receives all provincial and federal fine surcharges assessed under the Act and under the Criminal Code. The Act permits expenditures from the Fund to promote and deliver services and benefits to victims; to conduct research and to distribute information respecting victims' services, needs and concerns; and for crime prevention and administration.

2. Accounting Policies

These financial statements are prepared using Canadian accounting principles appropriate for the public sector and reflect the following significant accounting principles.

a) Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

b) Revenue

i) Surcharge Revenue

Surcharge revenue represents provincial and federal fine surcharges collected by the Department of Justice in accordance with *The Victims of Crime Act, 1995* and the Criminal Code. The Department of Justice is responsible for collecting the surcharges on behalf of the Fund. Surcharges are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

ii) Proceeds of crime funding

Proceeds of crime funding from the Federal Government is recognized as revenue in the year related expense are incurred due to restrictions imposed by the Federal Government (see Note 8).

c) Expense

Expense represents the cost of resources consumed during the year for operations. Expense includes provision for the amortization of tangible capital assets.

d) Tangible Capital Assets

Tangible capital assets acquired before March 31, 1997, that have a value greater than $500 and a useful life greater than one year are capitalized and amortized on a straight-line basis over five years. Tangible capital assets acquired after March 31, 1997, that have a value greater than $500 and a useful life greater than one year are capitalized and amortized on a straight-line basis over three years.

e) Net Decrease (Increase) in Tangible Capital Assets

The net decrease (increase) in tangible capital assets represents adjustments required to report the surplus (deficit) for the year on an expenditure basis.

3. Financial Instruments

The Fund has the following financial instruments: due from General Revenue Fund, due from Public Trustee, accounts receivable, and accounts payable. The following paragraphs disclose the significant aspects of these financial instruments.

a) Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on cash flows, financial position and income.

The Fund is exposed to interest rate risk when the value of its financial instruments fluctuate due to changes in market interest rates.

The Fund's receivables and payables are non-interest bearing. Due to the short-term nature of these, interest rate risk is minimal.

As market interest rates fluctuate the market value of fixed income investments moves in the opposite direction. This risk may affect the price the Fund can sell the investments for prior to maturity.

b) Credit risk

The Fund is exposed to credit risk from potential non-payment of amounts due from General Revenue Fund, accounts receivable or due from Public Trustee.

The Fund's accounts receivable arise from fine surcharges assessed against individuals. Credit risk associated with accounts receivable relates to unpaid fine surcharges. The amount of fines which will eventually be collected is difficult to measure. The amount at which accounts receivable are stated in the financial statements is an estimate of fines, which will be collected, based on past experience.

The Fund's due from Public Trustee consist of government and government guaranteed bonds, corporate bonds, and shares in Canadian and foreign companies. Credit risk is minimal for government and government guaranteed bonds. Credit risk for corporate bonds is related to investees' abilities to redeem their bonds upon maturity. The Fund limits the credit risk by having Public Trustee invest their funds in securities considered to be high quality.

c) Fair Value

For the following financial instruments, the carrying amounts approximate fair value due to their immediate or short-term nature:

Due from General Revenue Fund
Accounts receivable
Accounts payable

The fair value of due from Public Trustee at March 31, 2001 is $3,366,476 (2000 - $3,446,721).

4. Related Parties

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

The Fund received certain administrative services from the Departments of Justice and Finance without charge.

Other transactions with related parties and amounts due to or from them are described separately in the financial statements.

5. Due from General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund.

The Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis to the Fund using the Government's thirty day borrowing rate and the Fund's average daily bank account balance. The Government's average thirty day borrowing rate for 2000/01 is 5.43% (1999/00 – 4.79%). Interest earned for the year was $14,330 (2000 - $14,777).

6. Accounts Receivable

This amount represents surcharges due to the Fund on account of fines levied against, but not yet paid, by individuals and miscellaneous receivables. The balance at March 31 consists of:

	2001	2000
Surcharge receivable	$ 571,541	$ 566,370
Other Accounts Receivable	1,850	21,717
Total accounts receivable	$ 573,391	$ 588,087

7. Due from Public Trustee

The Fund invests a portion of its surplus funds with the Public Trustee for Saskatchewan. The Public Trustee invests these monies, together with monies it administers for its other clients, in a common fund. Income earned in the common fund, together with part of the change in market values of common fund investments, is allocated annually to clients, including Victims' Fund. The change in market value of common fund investments is allocated equally over four years.

The Fund records amounts allocated to it by Public Trustee as income or loss and adjusts the carrying value of its investment by the same amount. Fair value approximates the carrying value of investments.

8. Proceeds of Crime

Under the federal *Seized Property Management Act* and the Forteited Property Sharing Regulations the Federal Government receives monies from seizures by police during drug investigations and other illegal activities. Treasury Board approved the deposit of the proceeds of crime into the Fund. The funds were deposited prior to March 31, 2000. On April 17, 2000 the Province entered into an agreement with the Federal Government that specifies the funds are to be used to support crime prevention, issues of substance abuse and law enforcement.

9. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Fund's budget annually.

Schedule 1

DEPARTMENT OF JUSTICE
VICTIMS' FUND
SCHEDULE OF EXPENSE BY OBJECT
For the Year Ended March 31

	2001	2000
Expense:		
Community grants	$ 1,671,937	$ 1,669,567
Salaries	602,917	579,083
Contractual services	148,847	134,559
Compensation awards	312,454	370,728
Administration	132,150	123,485
Victim/witness rooms/softrooms	12,415	10,000
Systems expenses	1,533	4,507
Proceeds of Crime	107,595	—
Amortization	3,420	13,368
	$ 2,993,268	$ 2,905,297